The President has put on the table a strong plan. First, it takes back $5 billion in pension liability racked up by the Congress before home rule and off-loaded on the District. Second, it recognizes that the District is not a State and like every city in the United States cannot today bear State, county, and municipal functions all by itself, even if it becomes the most efficient government on the face of the Earth.

Last night the President offered words on an empowerment zone approach that he intends to spread to cities across the United States, including the District. It is a traditional approach that is already in use across the country. I am very grateful that he wants to include the District in this approach. I welcome it. But I welcome it only in combination with income tax relief in light of a bill I have introduced yesterday.

As the sole response to the crisis of the capital city, the empowerment approach is unacceptable to me and to the District. Why? The President's own plan, the President's strong plan—for pension and State cost relief—would take this much, represented by the orange color, off the table from what District taxpayers now pay. What that means is that 90 percent of what District taxpayers pay they would continue to pay. Strong as his plan is, it really is marginal in what it does to take away what a dwindling tax base would pay.

We are now at 1933 population levels. We do not have a State like New York and like Florida. We are losing, in the 1990's three times as many people as we lost in the 1980's.

Consider what our alternatives are. Commuter tax, massive infusions from the Federal Government and, finally, use of our own money through a tax cut. Commuter tax, thank you, Mr. Congress, you have taken that off the table. We are barred from a commuter tax, even though virtually all the jobs go to commuters. They come in and use the services of an insolvent city and do not leave one thin dime here. You took that off the table. Massive infusions from the Federal Government, you have taken off the table for everybody, even the capital of the United States. I am down to the only option I have left: Let us use our own money to pay what it takes to revive our own city.

The District of Columbia Economic Recovery Act is a bipartisan tax cut bill. I put it in only because we have no State. If we had a State, I would not do it. I would go to the State.

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Big cities get almost all of their revenue from State and Federal sources. D.C.'s revenue must come from a tax base that is disappearing with no way to recycle money back from those who leave.

Think about it. Even if you come from a small town, think about the great cities in your State, New York City, L.A., Detroit, Atlanta, Seattle, Houston, Chicago, Newark, Nashville, Greenville, Charlotte, Richmond, and Baltimore. None of them support themselves. They are basically supported by their States.

If you did not have a State, what would you do? What do you expect the capital of the United States to do? An empowerment zone by itself does not address taxpayer drain. Even businesses in D.C. tell us that for every ten jobs we make in D.C., nine of them go to suburbanites. They say that is because we are losing our skilled work force, which is another way of saying losing our tax base. They say that an empowerment zone incentive will not help the District because business looks to the skilled work force, not to tax incentives when deciding whether or not to locate in a city.

This is not your average tax cut. It is not what we usually mean in this House. It is not about money saving; it is about life saving. We have to think outside the box. We have to understand that in essence, if not this, what?

You have a unique situation in the capital of the United States. You have a stateless city. It is insolvent. Its revenue is dwindling away with its tax base. The capital is trapped. Help us free ourselves.

The SPEAKER pro tempore (Mr. McINNIS). Under a previous order of the House, the gentleman from Florida [Mr. FOLEY] is recognized for 5 minutes.

[Mr. FOLEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SUPPORT MY BALANCED BUDGET SUBSTITUTE AMENDMENT TO THE CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, very shortly in this House, probably within the next 3 or 4 weeks, the House leadership has scheduled a vote on the balanced budget amendment to the Constitution. I have some concerns about whether this is even necessary.

I note with interest that the deficit has dropped in the last 4 years from $300 billion a year to $107 billion this year and it is coming down like that; that 4 years ago it was 4.7 percent of our gross domestic product, a hefty portion. Today it is 1.4 percent, the lowest point it has been since 1974, the lowest of any industrial democracy. So I question whether it is needed.

If it is needed, if people still seem to think it is, I have to offer the suggestion that you do not balance the budget by putting something in the Constitution that says in 7 years you have to have a balanced budget. You balance the budget the old-fashioned way, vote by vote by vote, cut by cut by cut, each year through the appropriations process.

That is what has brought the deficit down, on a bipartisan basis, Democrats leading the charge sometimes, Republicans the other times. That is what has brought the deficit from being 4.7 percent of our economy down to here about 1.4 percent.

Now, having said that, if a constitutional amendment is necessary, I am greatly concerned because the argument I hear is that the Federal budget ought to balance its budget like every family, like every business and every State government has to. And that is a fair statement. There is a difference, though. If you forced every family, if you forced every business, and particularly if you forced every State government to include the language of this balanced budget amendment in their constitutions or in their bylaws or their operating procedure, this country would be belly up.

This balanced budget amendment does not do what every State, what every family and every business does, and that is to permit borrowing for capital expansion, for growth, for increasing in productivity. Because while 49 States have some form of capital budgeting in place, and incidentally operates under a balanced budget procedure, such as the State of West Virginia, which has a strict balanced budget requirement in its State constitution, while almost every State has a balanced budget requirement of some kind, there is a difference between the way that States operate and the way the Federal Government operates.

Every State borrows for the roads, the bridges, the water systems, the sewer systems, the infrastructure, the schools, the prisons, the things that are necessary for long-term growth. Every State has that kind of capital budget. Not so the Federal Government.

So that is why I would urge Members, if you feel you have to support a balanced budget amendment, I hope you will support my balanced budget substitute, my constitutional amendment to the Constitution, which would say that you balance the budget in the same amount of time, by the year 2002; that you have the same procedures, except that you can have capital budgeting; that is, you can have investment in physical infrastructure, the roads, the bridges, and so on, No. 1; and, No. 2, that Social Security is off budget.

I am fascinated that every Member in this House at some time or another has voted in favor of taking Social Security off budget. Well, if it was good enough last year, the year before, and the year before that, why is it not good enough this year, particularly if we are going to enact such a stiff proposal and put it into the Constitution?

So if you want the Federal budget to operate like every State, like every business and every family, then recognize the fact that every family knows